

## C. Independent Research and Development Program

Welcome to the DOD IR&D Program Web Site



Independent Research and Development is R&D initiated and conducted by defense contractors' independent of DoD control and without direct DoD funding. IR&D includes: basic research, applied research, development, systems and concept formulation studies. IR&D does not include R&D performed under a grant or a contract from the Government, and does not include technical

effort to support bid or proposal activities. DoD Components are required to consider work and accomplishments of contractor IR&D program when planning, programming and budgeting for DoD-funded R&D. DoD policy encourages contractors to undertake IR&D activities that may further national security in a broad sense, may lead to a superior military capability, or may lower the cost and time required for providing that capability. IR&D costs are recognized as necessary for doing business, particularly in a high-technology environment, and are recoverable as "indirect expenses" on contracts covered by DoD cost accounting standards (CAS). Policy on IR&D can be found in 10 USC § 2372 and DoD Directive 3204.1.

Major Defense contractors spend about \$3 billion annually on IR&D activities. About half of this amount (\$1.5 billion) is recovered from DoD as an indirect expense on contracts subject to CAS. Summaries of contractor IR&D projects are voluntarily submitted to DoD and included in the IR&D database. Changes to IR&D law in the early 1990s caused a major change in DoD's visibility of contractor IR&D. Prior to these changes, major defense contractors were required to submit IR&D plans for DoD review and approval, and ceilings were established on the amount of IR&D costs each contractor could recover as indirect expenses under defense contracts. The current IR&D law, enacted in 1991, phased out the DoD approval requirement and the reimbursement ceilings. While applauding these changes, contractors have expressed concerns about decreased feedback on their IR&D activities. While contractors are no longer required to report IR&D plans and accomplishments to DoD, they do advertise their technical capabilities to potential DoD customers. Most major contractors provide information to DoD about their IR&D activities through technical interchange meetings (TIMs) with DoD representatives and with IR&D project descriptions submitted to the Defense Technical Information Center (DTIC) for inclusion in the IR&D Database. DoD influences IR&D decision making by providing contractors with information about DoD-funded R&D and defense technological needs through documents, conferences, and meetings.

DTIC collects and maintains thousands of IR&D project summaries submitted by defense contractors in a restricted-access database. The IR&D Database can be accessed by registered DoD users over a secure internet link and is used to

identify technological capabilities applicable to defense needs and to avoid duplication of contractor IR&D activities by R&D funded directly by DoD.

During the past year, DoD initiated a marketing campaign to educate DoD scientists and engineers about the process for accessing IR&D data online. A memorandum reiterating DoD policy on the use of IR&D data was issued and an IR&D exhibit was set up at several technical conferences. IR&D data were included in Defense Technology Search, a search engine for locating defense related research and development and metrics were established to periodically track IR&D database usage. During the coming year, the DoD IR&D program will continue to focus on educating DoD scientists and engineers about the availability of IR&D data. The program will also work to improve the way DoD's technological needs are communicated to industry.